

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 126045
ORIGIN ARA-14

INFO OCT-01 ISO-00 /015 R

66011

DRAFTED BY: ARA/ECP:JO'MAHONY

APPROVED BY: ARA/ECP:JO'MAHONY

-----010660 180617Z /13

P 180451Z MAY 78

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES PRIORITY

LIMITED OFFICIAL USE STATE 126045

PASS TO: WILLIAM H SKOK, ARA COMMERCIAL COORDINATOR

FOL CARACAS 4476 SENT ACTION SECSTATE MAY 16, 1978 REPEATED
TO YOU QUOTE

LIMITED OFFICIAL USE SECTION 1 OF 2 CARACAS 4476

E.O. 11652: NA

TAGS: EAIR, VE

SUBJECT: CIVAIR- BILATERAL CONSULTATIONS

REF: (A) STATE 121425; (B) STATE 117938; (C) CARACAS 4243;
(D) CARACAS 3598; (E) CARACAS 3216

1. AS BACKGROUND AND PREPARATION FOR THE UPCOMING CIVAIR
BILATERAL CONSULTATIONS, THE FOLLOWING IS OUR ANALYSIS OF HOW
THE VENEZUELAN'S SEE THE CURRENT ISSUES. WE SUBMIT THIS BECAUSE
WE BELIEVE IT IMPORTANT THAT OUR SIDE UNDERSTAND HOW THE
VENEZUELAN'S FEEL AND THE DIFFERENT PERCEPTIONS THEY HAVE:

2. THE VENEZUELAN DELEGATION WILL COME TO THE BILATERAL
MEETING IN A GUARDED, ALMOST SUSPICIOUS FRAME OF MIND,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 126045

AGGRAVATED BY WHAT THEY CONSIDER TO BE SEVERAL BREACHES OF
THE BILATERAL WITHOUT SATISFACTORY REPLIES FROM USG AND BY
PANAM'S RECENT CHANGE OF ITINERARY, IN THEIR MIND AN OPEN
VIOLATION OF THE AGREEMENT.

3. THE POINTS OF FRICTION, INTERPRETED FROM THE VIEWPOINT OF
THE VENEZUELAN'S, ARE THE FOLLOWING:

(A) NEW BAGGAGE RULE. VENEZUELAN'S CONSIDER THIS A TARIFF MATTER WHICH SHOULD HAVE BEEN HANDLED ACCORDING TO SECTION VI OF BILATERAL. GOV DID PROTEST BUT NEVER RECEIVED A REPLY.

(B) IATA RATE PACKAGE. VIASA'S FILING WAS NOT CONSIDERED BY CAB, SEVERAL INQUIRIES UP TO THE PROTOCOL LEVEL OF DIPLOMATIC NOTE HAVE REMAINED UNANSWERED. FURTHER INQUIRIES REGARDING USG POLICIES IN REGARD TO TARIFF FILINGS HAVE NOT BEEN REPLIED TO.

(C) MARCH WASHINGTON TALKS. VENEZUELAN'S CLAIM TO HAVE BEEN TOLD THAT USG INTENDS TO DISREGARD IATA RATE MAKING MECHANISM. THEY FURTHER CLAIM TO HAVE BEEN TOLD THAT USG DOES NOT INTEND TO ABIDE BY THE BILATERAL AS FAR AS THE RATE MAKING MECHANISM OR INTER-GOVERNMENT CONSULTING AND PROTEST MECHANISM ARE CONCERNED. WASHINGTON TALKS APPARENTLY FAILED TO OFFER AN ALTERNATE SYSTEM OF GOVERNMENT-TO-GOVERNMENT CONSULTING MECHANISM.

(D) PANAM SUSPENDED B707 FLIGHT CARACAS-BUENOS AIRES AND SUBSTITUTED THIS SERVICE WITH TWO B747 FLIGHTS CARACAS-RIO-BUENOS AIRES. VENEZUELAN'S ARE HOLDING TO THE SPECIFICS OF THE AGREEMENT, AND FREQUENCIES AND EQUIPMENT WHICH HAVE BEEN SPECIFICALLY LISTED CALL FOR ONE 707 RATHER THAN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 126045

TWO 747S. THEY THUS CONSIDER THE NEW SERVICE A THREE-FOLD INCREASE OF CARACAS-BUENOS AIRES SERVICE (TWO B747S EQUAL FOUR B707S, ONE 707 SUSPENDED LEAVES THE EQUIVALENT OF THREE (707S). THE PANAM MANAGER HERE HAS ESTIMATED FROM RECENT PASSENGER PATTERNS THAT SOME 30-40 SEATS ON TO BUENOS AIRES WOULD BE AVAILABLE ON EACH OF THE 747S. THIS IS A MOOT POINT SINCE PANAM THEORETICALLY CAN BLOCK OFF ANY NUMBER OF SEATS AND IN FACT HAS SOLD A LARGE NUMBER OF SEATS ON UPCOMING FLIGHTS FOR THE SOCCER MATCHES IN BUENOS AIRES.

4. WE THINK THE VENEZUELAN'S WILL ATTEMPT TO OBTAIN THE FOLLOWING:

(A) RE-FORMULATION OF SECTION VI OF THE BILATERAL TO TAKE INTO ACCOUNT NEW USG POLICIES. VENEZUELA FEELS THAT SOME TYPE OF GOVERNMENT-TO-GOVERNMENT MECHANISM MUST EXIST TO PROVIDE FOR ORDERLY HANDLING OF TARIFF MATTERS. SINCE THEY ARE CONFUSED AS TO OUR INTENTIONS IN THIS RESPECT, IT IS DOUBTFUL THAT THEY WILL SUGGEST A FORMULATION BUT RATHER THEY EXPECT A DRAFT FROM US AND EXPECT TO NEGOTIATE FROM THERE.

(B) BRIEFING ON OUR NEW POLICIES OF MORE FLEXIBLE COMPETITION

AND RATE STRUCTURE. IT IS DOUBTED THAT VENEZUELAN DELEGATION WILL ATTEMPT TO CHANGE OUR MIND, BUT PROBABLY WILL ASK VERY DETAILED QUESTIONS LEADING TO ANSWERS WHICH WILL MAKE IT CLEAR IN THEIR MINDS HOW THESE NEW POLICIES WILL AFFECT THEM OR VIASA'S COMPETITIVE POSITION. IT IS HOPED THAT THIS PHASE WILL NOT LEAD TO HEATED DISCUSSIONS, SINCE IT IS POSSIBLE THAT VENEZUELAN WILL THREATEN DENUNCIATION OF BILATERAL IF THEY FEEL THAT OUR NEW POLICIES ARE INCOMPATIBLE WITH ITS STIPULATIONS. THE QUESTION OF MULTIPLE DESIGNATION MIGHT BE BROUGHT UP AND WE MIGHT BE SERVED NOTICE THAT GOV WILL REFUSE DESIGNATION OF ANY ADDITIONAL CARRIERS ON US-VENEZUELAN ROUTES.

(C) PANAM'S BUENOSAIRES FLIGHTS: VENEZUELAN WILL INSIST LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 126045

ON STRICT ADHERENCE TO THE TECHNICAL COMMITTEE AGREEMENT OR REQUEST RENEGOTIATION AT SAME LEVEL. (PRIVATELY, GOV OFFICIALS HAVE INDICATED TO US THAT A SATISFACTORY NEW PATTERN OF SOUTHBOUND SERVICE COULD BE WORKED OUT IF THE PARTIES COULD TALK ABOUT IS).

5. AT THIS MOMENT, EMBASSY IS UNAWARE OF ANY OTHER POINTS OF UNHAPPINESS OR DESIRE WHICH THE VENEZUELAN DELEGATION MIGHT BRING UP. HOWEVER, IN VIEW OF THE VENEZUELAN'S FRAME OF MIND WE SHOULD TRY TO BE FORTHCOMING IF ANY NEW SUGGESTIONS ARE MADE. POSTPONEMENT OF DETAILED DISCUSSIONS WILL NOT BE TAKEN AMISS IF THIS SHOULD BE REQUIRED.

6. IT IS FELT THAT THE VENEZUELAN WILL ATTEMPT TO BE OPEN AND FRIENDLY. TEMPER HAVE COOLED DOWN AND APART FROM THE PANAM MATTER WHICH THEY BELIEVE WAS AN ATTEMPT TO "SLIP ONE OVER", THEY APPEAR TO ASSUME THAT OTHER PROBLEMS HAVE BEEN CAUSED BY NEW PEOPLE IN CAB AND DEPT. OF STATE, BY A DRASTIC CHANGE IN POLICIES AND BY A LACK OF UNDERSTANDING OF THE PREVIOUSLY VERY GOOD CIVIL AVIATION RELATIONS. VENEZUELAN APPARENTLY WISH TO HOLD TALKS IN THE FORM OF A DISCUSSION OF MISUNDERSTANDINGS AMONGST FRIENDS MORE THAN IN THE FORM OF FORMAL NEGOTIATIONS AND MORE IN THE WAY OF FINDING MUTUALLY ACCEPTABLE SOLUTIONS TO PROBLEMS THAN OF ONE SIDE FORCING THE OTHER SIDE TO ACCEPT UNPALATABLE ISSUES.
VAKY UNQUOTE VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, INTELLIGENCE ASSESSMENTS, GOVERNMENT REACTIONS, MEETING DELEGATIONS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE126045
Document Source: CORE
Document Unique ID: 00
Drafter: ARA/ECP:JO\MAHONY
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780209-0009
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780544/aaaablhf.tel
Line Count: 162
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0abf309b-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 121425, 78 STATE 117938, 78 CARACAS 4243, 78 CARACAS 3598, 78 CARACAS 3216
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2650014
Secure: OPEN
Status: NATIVE
Subject: CIVAIR- BILATERAL CONSULTATIONS
TAGS: EAIR, PINR, VE, US
To: BUENOS AIRES
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0abf309b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014